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C O N F I D E N T I A L SECTION 01 OF 02 SUVA 000175

SIPDIS

MANILA FOR ADB

E.O. 12958: DECL: 05/07/2018
TAGS: [EAID](#) [EFIN](#) [PROV](#) [PREL](#) [FJ](#)
SUBJECT: DONOR COUNTRIES ADVISE ASIAN DEVELOPMENT BANK TO
LIE LOW IN FIJI

REF: SUVA 155

Classified By: Ambassador Larry M. Dinger

Summary

1. (C) On May 7, representatives of the United States, Australia, New Zealand, PNG and the UK told the head of the regional Asian Development Bank Office in Suva they hoped ADB would not push forward with any new initiatives in Fiji for the time being. In light of the recent expulsion of Fiji Times publisher Evan Hannah and continued mixed signals from the Interim Government (IG) about holding elections early next year, governments and international organizations need to keep the pressure on. Several representatives advised ADB to reevaluate its plans after the August Forum Leaders' meeting, when IG intentions might be clearer. The PNG High Commissioner to Fiji said Fiji's international partners should have no illusions that elections will be held as scheduled given what interim PM Bainimarama told the leaders of Papua New Guinea and Tonga in April. He urged the international community to begin considering how it will react if and when the IG says elections are delayed. End Summary.

IG Pressing ADB to Do More in Fiji

2. (C) Sirpa Jarvenpaa, Regional Director of the ADB Subregional Office in Suva, organized a meeting of key donors May 7 to discuss prospects for future ADB programs in Fiji. ADB is presently only continuing work on projects started before the coup. The organization has initiated nothing new since December 2006. Jarvenpaa said Interim Finance Minister Chaudhry recently sent a "very forceful" letter to ADB officials at the annual meeting in Madrid, arguing that ADB inaction is negatively impacting the people of Fiji and contrasting ADB with the World Bank, which Chaudhry said is fully engaged. (Note: Chaudhry attended the ADB annual meeting that concluded earlier this week.) Jarvenpaa and Susan Adams, head of the Pacific Financial Technical Assistance Center operated by the IMF, said Chaudhry's statement about the World Bank may be overblown. Some World Bank staff visits and technical missions have taken place in recent months, but no new projects have been agreed to. Nevertheless, Jarvenpaa proposed, it may make sense for ADB to consider restarting some technical, preparatory work on proposed new projects, so that ADB will be in a better position to assist Fiji after the return of a democratically elected government. For example, ADB could start work now on a feasibility study for a new port project near Suva - a

project that could contribute to long-term economic growth in Fiji.

Donors Less Than Enthusiastic About New ADB Initiatives

13. (C) The Acting New Zealand High Commissioner to Fiji, reading from points cleared in Wellington, said New Zealand supports the continuation of existing technical support to Fiji, but believes new ADB engagement with Fiji at this time would send the wrong message to the IG. Representatives from the U.S. (the DCM) and the UK expressed support for the New Zealand position. Australia and PNG added concerns about the current situation in Fiji and IG intentions to hold elections as scheduled. The U.S. representative added that work on the feasibility study noted by Jarvenpaa appeared to signal a level of "reengagement" that the U.S. probably could not support, since such a study would require extensive new consultations with the IG and would be publicized. The Acting NZ High Commissioner and other representatives suggested to Jarvenpaa that ADB should review its future programs with Fiji again after the August Forum Leaders' Meeting in Niue. Perhaps after that meeting, they said, IG intentions will be clearer.

PNG Representative Paints Gloomy Picture

14. (C) Peter Eafeare, the PNG High Commissioner to Fiji and Chair of the Forum-Fiji Joint Working Group, said the ADB should have no illusions that elections will take place early next year as scheduled. Eafeare said that at the April 10 informal meeting in Nadi among interim PM Bainimarama, PNG PM

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Somare and Tonga PM Sevele (reftel), Bainimarama made it clear he wants to delay elections, invoking concerns ranging from the inclement weather prevalent in Fiji in March to the likely unavailability of school facilities in the March timeframe (most previous elections have utilized school facilities during school holiday periods.) At the April 10 meeting, and later in a letter to Bainimarama, Somare and Sevele stressed the need for the IG to speak with one voice on the election, instead of the scattered and inconsistent statements from various IG officials that are now the norm. While Bainimarama agreed with that point in the April 10 meeting, the IG hasn't changed its habits at all since then, said Eafeare. Numerous IG officials continue to make confusing and inconsistent statements about the proposed elections. While Bainimarama, Somare and Sevele agreed in April to hold another round of discussions, Eafeare has advised his PM to decline any invitations to join in a second informal meeting, believing it would merely be used by Bainimarama as a "propaganda tool."

15. (C) Eafeare thinks Bainimarama is in a "political cul de sac," caught between his commitment to the People's Charter process and his promise to Forum Leaders to hold elections by March 2009. Bainimarama seems quite bewildered that the international community hasn't bought into the People's Charter and the National Council for Building a Better Fiji - an organization Eafeare said appears to be morphing into an unelected "mini-Parliament." The Pacific Island Forum and others in the international community need to begin considering now what actions to invoke if and when the IG says elections won't take place as scheduled, he said.

ADB Gets the Message

16. (C) At the conclusion of the meeting, Jarvenpaa said she had received a clear message from the assembled delegates - no action now, and wait until August to reevaluate. She promised to make those views known to ADB Headquarters in Manila.

Comment

17. (C) Jarvenpaa is clearly anxious to get ADB programs in

Fiji moving again, especially in light of her apparent perception that the World Bank continues to actively engage with the interim regime. We continue to recommend that the ADB take a go-slow approach. If Eafeare is right about the need for the international community to begin considering what actions to invoke if and when elections are delayed, this is hardly the time to signal new programs in Fiji.

DINGER